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March 8, 2016

Members of the Labor & Public Employees Committee,

Much of the debate you have heard, or will hear, on [Senate Bill 221](#) focuses on the human costs when people cannot take time off following childbirth, or when a family member is ill, or to deal with any other personal issue. This is important, and it must be considered when you cast your vote on this legislation.

However, I wish to offer my viewpoint on why paid family and medical leave is important from a business perspective – and why, despite what you may hear from opponents, the business community, and groups like the Connecticut Sustainable Business Council and the American Sustainable Business Council, support measures like Senate Bill 221.

First, some background. On the issue of guaranteed paid leave, the United States stands virtually alone on the world stage. A 2014 report from the International Labor Organization found that the United States was one of only two nations that had no national guarantees for paid maternity leave. The other was Papua New Guinea.

While the United States does have a law designed to guarantee leave for workers – the Family and Medical Leave Act, or FMLA – the leave is unpaid, and companies with fewer than 50 employees are exempted from the requirement. Overall, according to the Department of Labor, only 13 percent of American workers have access to paid leave, most often through employer benefits.

Some states have already taken the lead on this issue. California, New Jersey, and Rhode Island currently have paid family leave laws on the books. Likewise, five states have laws guaranteeing paid sick days. As you are likely aware, Connecticut was the first to pass that kind of law, back in 2011. Connecticut has led on good workplace issues. Now it is time for the state to do so again, and join the push for paid leave.

Despite arguments that paid family and medical leave would be a burden on employers, the United States is leaving money on the table every year it fails to pass this kind of law. The reason is simple: What makes a business successful is its talent. Hiring and retaining the best workers is crucial for companies large and small, because employee turnover – the costs of finding and training a replacement – are so massive.

According to a study from the Center for American Progress, replacing a worker who earns less than \$50,000 a year can cost 20 percent of their salary. That's as much as \$10,000 spent to simply replace a worker. And that's for lower-paid workers – the costs to replace people in senior, or more executive, positions can run as high as 213 percent of their salary.

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When employees can be lured to another company – perhaps one in a foreign country where leave laws are stronger – that offers better benefits, such as paid leave, that risk is very real. And when businesses are saddled with those costs, that means less money available to take care of their other workers or make new investments.

But when workers are able to take advantage of paid time off, they're happier, more productive, and less likely to look for other jobs elsewhere. And when they're able to spend time at home with a new baby, or devote their full energies to taking care of a sick family member, they return to their offices less stressed and ready to get back to work.

Done right, the programs themselves can save businesses money. Following the passage of a paid leave law in California, about 60 percent of businesses in the Golden State reported cost savings by coordinating their benefits with the state program. In New Jersey, a poll taken three years after their paid family leave program took effect found that more than three quarters of the state's voters viewed it favorably. In Connecticut's case, businesses wouldn't face any costs; this program would be funded entirely by employee contributions, as low as one half of one percent of someone's income.

I hope that you will vote to pass Senate Bill 221, not just because it will help employees deal with important personal issues, but because the business community has as much to gain from this as workers do. If government should be run like a business, then it should recognize that benefits like these are crucial to ensuring the economy will continue to grow.

Thank you.

Sincerely,

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